

# DHMH POLICY

<http://www.dhmh.state.md.us/policies/inpolm.htm>

Office of Contract Policy Management and Procurement

**DHMH POLICY 02.12.02**

Effective Date February 14, 2006

## **DHMH INVENTORY POLICY**

### **I. EXECUTIVE SUMMARY**

The *DGS Inventory Control Manual*, hereafter referred to as the *Manual*, is recognized as the primary asset-management directive that DHMH units are required to follow. This policy supplements the *Manual* for DHMH employees and management by designating roles, delegating responsibilities, and providing more specific guidance where needed.

### **II. BACKGROUND**

Section 4-306 of the State Finance and Procurement Article, Annotated Code of Maryland authorizes the Secretary, DGS to develop and issue the standards for maintaining stores and inventory control of materials and equipment for Executive agencies. The DGS Inventory Standards and Support Services Division issued the *DGS Inventory Control Manual* of July 1, 2003 to provide the applicable instructions and processes for managing inventory. Implementation and operation of the DHMH Inventory Control Program which is based on the *Manual* is the purpose of this policy.

Policy 02.12.02, DHMH Inventory Policy, supersedes and replaces DHMH Policy 10, dated December 28, 1976 and all interim DHMH directives issued on this subject.

### **III. POLICY STATEMENTS**

#### **A. AUTHORITY**

1. Following are a partial listing of those directives currently in effect that provide a basis of authority for the DHMH Inventory Control Program and the requirements of this policy. Other directives - Federal, State, or DHMH, may also apply.

- Section 4-306, State Finance and Procurement Article, Annotated Code
- *DGS Inventory Control Manual*, July 1, 2003.
- DHMH 02.12.01 Procurement Policy, September 30, 2004.
- DHMH Guidelines for Using Corporate Credit Cards, Nov 26, 2002.

2. The *DGS Inventory Control Manual*, as amended from time to time, is adopted as the basis for the DHMH Inventory Control Program.

[http://www.dgs.maryland.gov/ISSSD/2003-InventoryControlManual/2003\\_InvControlManual.pdf](http://www.dgs.maryland.gov/ISSSD/2003-InventoryControlManual/2003_InvControlManual.pdf)

3. This policy is not intended to waive or limit any provisions of the *Manual* but to supplement and provide specific direction to employees and management.

**Department of Health & Mental Hygiene**

**Office of Regulation and Policy Coordination - Policy Administrator**

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**B. SCOPE**

1. This policy shall apply to all employees of DHMH including but not limited to full and part-time State employees, temporary workers, contractual workers, volunteers, and others with authority to act on behalf of the Department.
2. This policy shall apply to all units of the Department to the extent specified:
  - headquarters units including those not at the State Office Complex;
  - Boards and Commissions, for the purposes of this policy, included as headquarters units;
  - DHMH facilities;
  - Local Health Departments (LHDs) that are in possession of State property.
3. This policy shall apply to DHMH (State) property, whether obtained through the State procurement system, County procurement system, corporate credit card, interagency transfer, or other process, but not to County-owned property at local health departments.

**C. DEFINITIONS**

1. The definitions provided in Section I.04 of the *Manual* shall also apply to this policy, in addition to the following.
2. A **facility** is a DHMH unit that provides residential treatment services for chronically ill, mentally ill, or developmentally disabled clients.

**D. ROLES AND RESPONSIBILITIES****1. DESIGNATION OF INVENTORY PROGRAM ROLES**

- a. The Secretary, DHMH, designates the Director, Office of Contract Policy Management and Procurement, as the Property Officer for DHMH Headquarters, with oversight authority for the entire DHMH Inventory Control Program.
- b. The Director, OCPMP, shall designate the Chief of Central Services as Alternate Property Officer for DHMH Headquarters, with authority to appoint Accountable Officers within headquarters units, in cooperation with the respective program managers.
- c. The Chief Executive Officers (CEOs) of DHMH facilities and Health Officers of local health departments (LHDs) are authorized to appoint a Property Officer and Alternate Property Officer. These roles are typically assigned to the Chief Operating Officer/Assistant Superintendent, Deputy Health Officer or other top administrative position for the unit. The names, contact information, and signature form (Agency Signature Authorization Form, ASAF) shall be submitted by CEOs/Health Officers to DGS-ISSSD, with a copy to the DHMH Inventory Unit, upon their appointment and shall be updated whenever changes occur.
- d. Property Officers/Alternates shall designate Accountable Officers for each sub-account, in cooperation with relevant program managers.

## 2. ASSIGNMENT OF DHHM INVENTORY PROGRAM RESPONSIBILITIES

a. The Secretary, DHHM, shall sign all (DGS Forms 950-8) Reports of Missing or Stolen Personal State Property before they are submitted to DGS through the ISSSD.

b. Property Officers/Alternates shall maintain inventory records, coordinate inventories, reconcile counts to records, certify inventories, prepare and submit reports in a timely manner.

c. Accountable Officers shall assume custodial responsibility for property on their inventory sub-account including conducting physical inventories, preparing documentation, ensuring proper labeling of assets, and reporting damaged, missing or surplus property.

d. Facility CEOs, Health Officers, or their CFOs (but not Property Officers) shall approve all adjustment vouchers, adjustments to inventory control account balances, and reconciliation certifications. Copies shall be retained for audit purposes. At Headquarters, the Principal Deputy Secretary shall sign all adjustment documentation.

e. Accountable Officers shall label or mark State assets as follows:

For capital equipment and for sensitive items:

- A permanent label with the words “**PROPERTY OF THE STATE OF MARYLAND**”, a unique number and/or barcode, and optional, either “DHHM”; “DEPT OF HEALTH & MENTAL HYGIENE”, a facility name, or a local health department name.
- Surface etching or a lasting type of paint shall be used wherever permanent labels are not practical.

For non-capital equipment and non-sensitive Items:

- A permanent label with the words “**PROPERTY OF THE STATE OF MARYLAND**”. Other information is optional.

f. Accountable Officers shall immediately report any vandalism, misuse, waste, or abuse of DHHM property to the Property Officer.

g. Property Officers shall establish supplemental guidelines and procedures for internal property control and for establishing and maintaining adequate accounting measures to ensure the accuracy and integrity of property records.

## IV. REFERENCES

- Annotated Code of Maryland, State Finance and Procurement Article, Section 4-306. [http://mlis.state.md.us/cgi-win/web\\_statutes.exe?gsf&4-306](http://mlis.state.md.us/cgi-win/web_statutes.exe?gsf&4-306)
- Executive Order 01.01.1987.19, Maryland State Agency for Surplus Property, <http://www.dsd.state.md.us/comar/01/01.01.1987.19.htm>
- *DGS Inventory Control Manual*, July 1, 2003. [http://www.dgs.maryland.gov/ISSSD/2003-InventoryControlManual/2003\\_InvControlManual.pdf](http://www.dgs.maryland.gov/ISSSD/2003-InventoryControlManual/2003_InvControlManual.pdf)

- DHMH 01.03.01 Corporate Compliance Policy <http://www.dhmh.state.md.us/policies/010301-sof1.pdf>
- DHMH 02.12.01 Procurement Policy <http://www.dhmh.state.md.us/policies/pdf/021201-sof.pdf>
- *DHMH Corporate Credit Card Users Guide*, Nov 26, 2002. <http://indhmf/pdf/cpcuserguide.pdf>
- DHMH Standard Forms [http://www.dhmh.state.md.us/forms/sf\\_csf.htm](http://www.dhmh.state.md.us/forms/sf_csf.htm)

**Approved:**

/S/ Signature on File

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**S. Anthony McCann, Secretary**

**February 14, 2006**  
**Effective Date**